



DOUGLAS A. DUCEY
GOVERNOR

STATE OF ARIZONA
OFFICE OF THE GOVERNOR

EXECUTIVE OFFICE

June 5, 2020

The Honorable Katie Hobbs
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Hobbs:

I am transmitting to you the following bills from the Fifty-fourth Legislature, 2nd Regular Session, which I signed on June 5th, 2020:

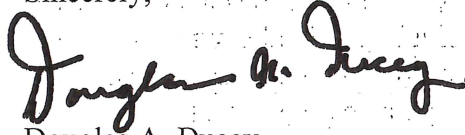
S.B. 1012 executive session; school safety plans (Borrelli)
S.B. 1021 department of revenue; electronic signatures (Ugenti-Rita)
S.B. 1040 insurers; notices; methods of delivery (Livingston)
S.B. 1041 travel insurance (Livingston)
S.B. 1042 executive sessions; security plans (Borrelli)
S.B. 1061 schools; parental rights; posting (Allen, S.)
S.B. 1062 insurance transactions; discrimination; exceptions (Livingston)
S.B. 1083 agriculture department; livestock loss board (Allen, S.)
S.B. 1090 insurance adjusters; claims certificate (Livingston)
S.B. 1091 insurance producer licensing; surrender; application (Livingston)
S.B. 1096 property management records; residential rentals (Pace)
S.B. 1099 tax deed land sales; proceeds (Mesnard)
S.B. 1121 model city tax code; procedures (Leach)
S.B. 1131 certified public accountants (Gray)
S.B. 1210 assisted living; caregivers; training (Pace)
S.B. 1236 adult adoption; stepchildren (Gowan)
S.B. 1274 professional regulatory boards; composition (Ugenti-Rita)
S.B. 1292 financial literacy; state treasurer; fund (Allen, S.)
S.B. 1303 annexation of territory; requirements (Pratt)
S.B. 1305 personal delivery devices (Livingston)
S.B. 1354 public retirement systems; prefunding plan (Livingston)
S.B. 1397 insurance; preexisting condition exclusions; prohibition (Mesnard)
S.B. 1441 protection orders; modification; residence possession (Farnsworth, E.)
S.B. 1445 suicide prevention training; school employees (Bowie)
S.B. 1446 student identification cards; suicide prevention (Bowie)
S.B. 1460 electric cooperatives; broadband service (Borrelli)
S.B. 1492 Arizona teachers academy; program pathways (Boyer)

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S.B. 1504 fingerprinting; vital records; child care (Brophy-McGee)
S.B. 1510 public contracts; payment methods (Livingston)
S.B. 1528 family college savings program; treasurer (Leach)
S.B. 1555 support order; dishonored payment; lien (Farnsworth, E.)
S.B. 1557 annuity transactions; requirements (Livingston)

Sincerely,

A handwritten signature in black ink, reading "Douglas A. Ducey". The signature is fluid and cursive, with the first name "Douglas" being the most prominent part.

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

Senate Engrossed

FILED
KATIE HOBBS
SECRETARY OF STATE

State of Arizona
Senate
Fifty-fourth Legislature
Second Regular Session
2020

CHAPTER 60
SENATE BILL 1021

AN ACT

AMENDING SECTION 42-1105, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 1, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-1131; AMENDING SECTION 43-321, ARIZONA REVISED STATUTES; RELATING TO THE DEPARTMENT OF REVENUE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 42-1105, Arizona Revised Statutes, is amended to
3 read:

4 42-1105. Taxpayer identification, verification and records;
5 retention

6 A. The federal taxpayer identification number, assigned pursuant to
7 section 6109 of the internal revenue code, is the taxpayer identifier for
8 purposes of the taxes administered pursuant to this article. Each person
9 who is required to make a return, statement or other document shall
10 include the identifier in order to secure the person's proper
11 identification. If the return, statement or other document is made,
12 electronically or otherwise, by another person on behalf of the taxpayer,
13 the taxpayer shall furnish the identifier to the other person, and the
14 person shall furnish both the taxpayer's identifier and the person's own
15 identifier with the return, statement or document.

16 B. The department may prescribe by administrative rule alternative
17 methods for signing, subscribing or verifying a return, statement or other
18 document required or authorized to be filed with the department that have
19 the same validity and consequence as the actual signature or written
20 declaration of the taxpayer or other person required to sign, subscribe or
21 verify the return, statement or other document. While the department is
22 adopting a rule prescribing alternative methods for signing, subscribing
23 or verifying a return, statement or other document, the director, by tax
24 ruling, may waive the requirement of a signature for a particular type or
25 class of return, statement or other document required to be filed with the
26 department. THIS SUBSECTION DOES NOT APPLY IF THE ALTERNATIVE METHOD FOR
27 SIGNING A RETURN, STATEMENT OR OTHER DOCUMENT IS AN ELECTRONIC SIGNATURE.
28 THE DEPARTMENT SHALL ACCEPT OR REQUIRE ELECTRONIC SIGNATURES IN THE MANNER
29 PRESCRIBED IN SECTION 42-1131. For purposes of this subsection, "tax
30 ruling" has the same meaning prescribed in section 42-2052.

31 C. A person who is a return preparer or an electronic return
32 preparer shall furnish a completed copy of the return, statement or other
33 document to the taxpayer no later than the time the return, statement or
34 other document is presented for the taxpayer's signature.

35 D. Except as provided in section 42-3010, every person who is
36 subject to the taxes administered pursuant to this article shall keep and
37 preserve copies of filed tax returns, including any attachments to the tax
38 return, any signature documents used for the tax return, suitable records
39 and other books and accounts necessary to determine the tax for which the
40 person is liable for the period prescribed in section 42-1104. The books,
41 records and accounts shall be open for inspection at any reasonable time
42 by the department or its authorized agent.

43 E. Except as provided in section 42-3010, a return preparer or
44 electronic return preparer shall keep copies of the return, statement or
45 other document for six years for transaction privilege and use tax returns

1 and four years for all other returns, statements and other documents
2 following the date on which the return, statement or other document was
3 due to be filed or was presented to the taxpayer for signature, whichever
4 is later.

5 F. Except as provided in section 42-3010, the department may
6 require by administrative rule electronic return preparers to keep for
7 each prepared return, statement or other document the following documents
8 for six years for transaction privilege and use tax returns and four years
9 for all other returns, statements and other documents following the later
10 of either the date on which the return, statement or other document was
11 due to be filed with the department or was presented to the taxpayer for
12 signature:

13 1. The signature document or tax return form bearing the taxpayer's
14 original signature in a manner prescribed by the department by
15 administrative rule or tax ruling.

16 2. Any attachments to the return, statement or other document
17 required to be submitted to the department if the return, statement or
18 other document had not been electronically transmitted to the department.

19 G. The operator of a swap meet, flea market, fair, carnival,
20 festival, circus or other transient selling event shall maintain a current
21 list of vendors conducting business on the premises as sellers. The list
22 shall include each vendor name, business name and business address. On
23 written notice, the department may require an operator to submit a copy of
24 the list at any time to the department.

25 H. For at least the period of time prescribed by section 42-1104,
26 the department shall retain any return, statement or other document, ~~as~~
27 ~~defined in section 42-1101.01,~~ as a record pursuant to sections 41-151.14,
28 41-151.15, 41-151.16, 41-151.17 and 41-151.19. Anything submitted with
29 the return, statement or other document ~~as defined in section 42-1101.01~~
30 that is not required, authorized or requested by the department is not
31 part of the record and may be destroyed, unless it is, at the department's
32 reasonable discretion, of more than de minimis value. Copies of original
33 documents of which the department reasonably expects the taxpayer has
34 retained any originals are presumed to be of de minimis value for purposes
35 of this section. If the department determines that any document that is
36 not required, authorized or requested by the department pursuant to this
37 subsection is of more than de minimis value, within ten days after receipt
38 the department shall notify the taxpayer in writing or by electronic means
39 of its intent to destroy the document. If the taxpayer requests the
40 return of any document included in the notice, the department shall
41 immediately comply, although the director may require the taxpayer to pay
42 any shipping costs to return the document. If the taxpayer does not
43 request the return of the documents within thirty days after the date on
44 the notice or the taxpayer consents to the destruction of the documents,

1 whichever occurs first, the department may destroy the documents included
2 in the notice.

3 Sec. 2. Title 42, chapter 1, article 3, Arizona Revised Statutes,
4 is amended by adding section 42-1131, to read:

5 42-1131. Electronic signatures; definition

6 A. THE DEPARTMENT SHALL ACCEPT OR REQUIRE AN ELECTRONIC SIGNATURE
7 TO SERVE AS A FUNCTIONAL EQUIVALENT OF A WRITTEN SIGNATURE ON A DOCUMENT
8 THAT IS SUBMITTED TO THE DEPARTMENT. THE ELECTRONIC SIGNATURE HAS THE SAME
9 FORCE AND EFFECT AS A WRITTEN SIGNATURE.

10 B. AN ELECTRONIC SIGNATURE MUST MEET ALL OF THE FOLLOWING
11 REQUIREMENTS:

12 1. BE EXECUTED OR ADOPTED BY A PERSON WITH THE INTENT TO SIGN THE
13 DOCUMENT SO AS TO INDICATE THE PERSON'S APPROVAL OF THE INFORMATION
14 CONTAINED IN THE DOCUMENT.

15 2. BE ATTACHED TO OR LOGICALLY ASSOCIATED WITH THE INFORMATION
16 CONTAINED IN THE DOCUMENT BEING SIGNED.

17 3. BE CAPABLE OF RELIABLE IDENTIFICATION AND AUTHENTICATION OF THE
18 PERSON AS THE SIGNER. IDENTIFICATION AND AUTHENTICATION MAY BE
19 ACCOMPLISHED THROUGH ADDITIONAL SECURITY PROCEDURES OR PROCESSES IF
20 RELIABLY CORRELATED TO THE ELECTRONIC SIGNATURE.

21 4. BE LINKED TO THE DOCUMENT IN A MANNER THAT WOULD INVALIDATE THE
22 ELECTRONIC SIGNATURE IF THE DOCUMENT IS CHANGED.

23 5. BE LINKED TO THE DOCUMENT SO AS TO PRESERVE ITS INTEGRITY AS AN
24 ACCURATE AND COMPLETE RECORD FOR THE FULL RETENTION PERIOD OF THE
25 DOCUMENT.

26 6. BE COMPATIBLE WITH STANDARDS AND TECHNOLOGY FOR ELECTRONIC
27 SIGNATURES THAT ARE GENERALLY USED IN COMMERCE AND INDUSTRY AND BY STATE
28 GOVERNMENTS.

29 C. FOR DOCUMENTS THAT ARE SIGNED ELECTRONICALLY, THE DEPARTMENT
30 SHALL PRESCRIBE THE FOLLOWING:

31 1. THE TYPE OF ELECTRONIC SIGNATURE REQUIRED.

32 2. THE MANNER AND FORMAT IN WHICH THE ELECTRONIC SIGNATURE MUST BE
33 AFFIXED TO THE ELECTRONIC RECORD.

34 D. FOR THE PURPOSES OF THIS SECTION, "ELECTRONIC SIGNATURE" HAS THE
35 SAME MEANING PRESCRIBED IN SECTION 44-7002.

36 E. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, THE
37 DEPARTMENT'S USE AND ACCEPTANCE OF ELECTRONIC SIGNATURES ARE SUBJECT TO
38 THE STANDARDS AND REQUIREMENTS OF TITLE 44, CHAPTER 26, ARTICLE 3.

39 Sec. 3. Section 43-321, Arizona Revised Statutes, is amended to
40 read:

41 43-321. Information required in returns

42 Each return required to be filed under this title shall contain the
43 following:

1 1. It shall contain or be verified by a declaration that it is made
2 under penalties of perjury. The declaration shall be written or in a form
3 prescribed by the department pursuant to section 42-1105, subsection B OR
4 SECTION 42-1131.

5 2. A specific statement of the items of the taxpayer's gross income
6 and the adjustments, deductions and credits allowed by this title.

7 3. Such other information as the department may by rule prescribe
8 for the purpose of carrying out the provisions of this title.

9 Sec. 4. Exemption from rulemaking

10 For the purposes of this act, the department of revenue is exempt
11 from the rulemaking requirements of title 41, chapter 6, Arizona Revised
12 Statutes, for one year after the effective date of this act.

APPROVED BY THE GOVERNOR JUNE 5, 2020.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 5, 2020.

Passed the House May 19, 20 20

by the following vote: 47 Ayes,

13 Nays, 0 Not Voting

W. R. Boyce
Speaker of the House
Pro Tempore

Jim Dale
Chief Clerk of the House

Passed the Senate February 3, 20 20

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

Karen Foxen, President
President of the Senate

Susan Pearce
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

26th day of May, 20 20,

at 12:20 o'clock P M.

[Signature]
Secretary to the Governor

Approved this 5th day of

June, 20 20,

at 11:32 o'clock A M.

Joseph R. Givens
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 5th day of June, 20 20,

at 2:37 o'clock P. M.

[Signature]
Secretary of State

S.B. 1021